

CITY OF VALLEY FALLS
Valley Falls, Kansas

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2015

CITY OF VALLEY FALLS, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Valley Falls
Valley Falls, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Valley Falls, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Valley Falls, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Valley Falls, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Valley Falls, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters***Required Regulatory Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2014 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures -- actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we have rendered an unmodified opinion dated June 14, 2016. The 2014 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
Ottawa, Kansas
June 14, 2016

City of Valley Falls, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Unencumbered Cash Balance Beginning of Year	Cash Receipts
Governmental Type Funds		
General Fund	\$ 163,543	\$ 541,996
Special Purpose Funds		
Consolidated Street & Highway	307,067	15,618
Special equipment reserve	<u>19,868</u>	<u>0</u>
	<u>326,935</u>	<u>15,618</u>
Business Funds		
Water Utility	105,497	178,656
Sewer Utility	216,081	114,907
Solid Waste	<u>62,195</u>	<u>88,016</u>
	<u>383,773</u>	<u>381,579</u>
	\$ <u><u>874,251</u></u>	\$ <u><u>939,193</u></u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Unencumbered Cash Balance End of Year</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance End of Year</u>
\$ <u>542,422</u>	\$ <u>163,117</u>	\$ <u>0</u>	\$ <u>163,117</u>
6,188	316,497	0	316,497
<u>9,499</u>	<u>10,369</u>	<u>0</u>	<u>10,369</u>
<u>15,687</u>	<u>326,866</u>	<u>0</u>	<u>326,866</u>
172,235	111,918	8,127	120,045
90,677	240,311	0	240,311
<u>76,135</u>	<u>74,076</u>	<u>0</u>	<u>74,076</u>
<u>339,047</u>	<u>426,305</u>	<u>8,127</u>	<u>434,432</u>
\$ <u><u>897,156</u></u>	\$ <u><u>916,288</u></u>	\$ <u><u>8,127</u></u>	\$ <u><u>924,415</u></u>
Cash balance consisting of			
Balance on deposit			
Checking, money market accounts & petty cash		\$	398,792
Certificates of deposit			<u>525,623</u>
Total cash		\$	<u><u>924,415</u></u>

The accompanying notes are an integral part of this statement.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Valley Falls is a municipal corporation governed by an elected five member commission. This financial statement presents the City of Valley Falls (the municipality).

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. The City does not have any funds of this type for this year.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The City does not have any funds of this type for this year.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). The City does not have any funds of this type for this year.

Agency fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.). The City does not have any funds of this type for this year.

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Valley Falls, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The Water Utility and the Sewer Utility were amended for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits -- Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Special equipment reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE E. DEPOSITS AND INVESTMENTS – Continued

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2015.

At December 31, 2015, the carrying amount of the City's bank deposits was \$924,415 and the bank balance was \$926,787. The bank balance was held by one bank which increases concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance and \$676,787 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
Other Debt:				
Kendall State Bank	2.35%	5/20/13	\$ 175,528	8/1/18

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year
Other Debt:					
Kendall State Bank	\$ 134,255	\$ 0	\$ 28,330	\$ (28,330)	\$ 105,925
	\$ 134,255	\$ 0	\$ 28,330	\$ (28,330)	\$ 105,925

Interest paid on the above for year ended December 31, 2015 was \$2,990

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year				
	2016	2017	2018	2019	2020
Principal:					
Kendall State Bank	\$ 29,000	\$ 29,685	\$ 30,387	\$ 16,853	\$ 0
Interest:					
Kendall State Bank	2,320	1,634	933	198	0
Total Principal and Interest	\$ 31,320	\$ 31,319	\$ 31,320	\$ 17,051	\$ 0
Total					
Principal:					
Kendall State Bank	\$ 105,925				
Interest:					
Kendall State Bank	\$ 5,085				
Total Principal and Interest	\$ 111,010				

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2015, the statutory limit for the City was \$1,552,429 providing a debt margin of \$1,446,504 after removing debt exempt from the limitation.

NOTE G. INTERFUND TRANSFERS

There were no operating transfers for year ended December 31, 2015.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: The estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description. The City of Valley Falls participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution for the Death and Disability Program) and the statutory contribution rate was 9.48% for KPERS for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$28,562 for KPERS for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the City of Valley Falls' proportionate share of the collective net pension liability reported by KPERS was \$214,486. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City of Valley Falls' proportion of the net pension liability was based on the ratio of the City of Valley Falls' contributions to KPERS, relative to the total employer and nonemployer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2015

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Compliance with Kansas Statutes: The City of Valley Falls has one fund with a budget violation: Consolidated Street & Highway. Management is not aware of any other statutory violations for the period covered by the audit.

NOTE L. PRIOR PERIOD RESTATEMENT

The following funds have been restated to correct the overstatement of payroll taxes as of December 31, 2014.

	Amount
General Fund - beginning balance	\$ 161,525
Adjustment for overstated accrual for payroll taxes	2,018
General Fund - Beginning fund balance restated	\$ 163,543
Water Utility Fund - beginning balance	\$ 105,012
Adjustment for overstated accrual for payroll taxes	485
Water Utility Fund - Beginning fund balance restated	\$ 105,497
Sewer Utility Fund - beginning balance	\$ 215,601
Adjustment for overstated accrual for payroll taxes	480
Sewer Utility Fund - Beginning fund balance restated	\$ 216,081

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through June 14, 2016, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

City of Valley Falls, Kansas

Schedule 1

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015**

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type funds					
General Fund	\$ 610,000	\$ 0	\$ 610,000	\$ 542,422	\$ (67,578)
Special Purpose Funds					
Consolidated Street & Highway	0	0	0	6,188	6,188
Business Funds					
Water Utility	278,934	0	278,934	172,235	(106,699)
Sewer Utility	336,980	0	336,980	90,677	(246,303)
Solid Waste	84,500	0	84,500	76,135	(8,365)

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		
	2014			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Ad valorem property tax	\$ 187,651	\$ 190,054	\$ 194,477	\$ (4,423)
Back tax collections	6,609	2,614	5,300	(2,686)
Motor vehicle tax	30,763	30,119	27,988	2,131
Local alcoholic liquor	567	0	1,200	(1,200)
Sales tax	169,353	168,200	155,000	13,200
Compensating use tax	0	0	8,000	(8,000)
In lieu of taxes	5,335	5,668	5,394	274
	<u>400,278</u>	<u>396,655</u>	<u>397,359</u>	<u>(704)</u>
Intergovernmental				
State aid	22,399	14,814	0	14,814
Licenses, fees and permits				
License and permits	13,909	937	1,200	(263)
Swimming pool	13,380	13,483	15,000	(1,517)
Franchise fees	58,798	49,859	53,000	(3,141)
	<u>86,087</u>	<u>64,279</u>	<u>69,200</u>	<u>(4,921)</u>
Use of money and property				
Interest on investments	606	594	2,449	(1,855)
Other				
Reimbursed expenses	8,146	35,577	0	35,577
Miscellaneous	28,217	30,077	15,000	15,077
	<u>36,363</u>	<u>65,654</u>	<u>15,000</u>	<u>50,654</u>
Total cash receipts	<u>545,733</u>	<u>541,996</u>	<u>\$ 484,008</u>	<u>\$ 43,174</u>
Expenditures				
Personnel services	277,093	271,008	\$ 300,000	\$ (28,992)
General government	74,054	66,417	85,000	(18,583)
Public safety	33,117	34,910	30,000	4,910
Highway & streets	75,898	120,710	70,000	50,710
Recreation & culture	3,320	3,720	5,000	(1,280)
Swimming pool	42,208	39,470	15,000	24,470
Capital outlay	0	6,187	10,000	(3,813)
Transfers	0	0	95,000	(95,000)
Total expenditures subject to budget	<u>505,690</u>	<u>542,422</u>	<u>610,000</u>	<u>(67,578)</u>

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Adjustment for qualifying budget credits	\$ 0	\$ 0	\$ 0	\$ 0
Total expenditures and budget credits	<u>505,690</u>	<u>542,422</u>	<u>\$ 610,000</u>	<u>\$ (67,578)</u>
Receipts over (under) expenditures	40,043	(426)		
Unencumbered cash, beginning of year	121,482	163,543		
Prior period adjustment	<u>2,018</u>	<u>0</u>		
Unencumbered cash, end of year	\$ <u>163,543</u>	\$ <u>163,117</u>		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
CONSOLIDATED STREET & HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Taxes				
Gas tax	\$ 7,753	\$ 15,618	\$ 30,000	\$ (14,382)
Expenditures				
Contractual services	\$ 0	\$ 6,188	\$ 0	\$ 6,188
Total expenditures subject to budget	0	6,188	\$ 0	\$ 6,188
Receipts over (under) expenditures	7,753	9,430		
Unencumbered cash, beginning of year	299,314	307,067		
Unencumbered cash, end of year	\$ 307,067	\$ 316,497		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2c

**SPECIAL PURPOSE FUNDS
SPECIAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014 Actual</u>	<u>2015 Actual</u>
Cash receipts		
Operating transfers	\$ 0	\$ 0
Expenditures		
Capital outlay	<u>0</u>	<u>9,499</u>
Receipts over (under) expenditures	0	(9,499)
Unencumbered cash, beginning of year	<u>19,868</u>	<u>19,868</u>
Unencumbered cash, end of year	<u>\$ 19,868</u>	<u>\$ 10,369</u>

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2d

BUSINESS FUNDS
WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		
	2014			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 166,150	\$ 178,656	\$ 170,000	\$ 8,656
Total cash receipts	<u>166,150</u>	<u>178,656</u>	<u>\$ 170,000</u>	<u>\$ 8,656</u>
Expenditures				
Personnel services	73,506	57,367	\$ 60,000	\$ (2,633)
Commodities	58,231	46,801	60,000	(13,199)
Debt service	33,272	31,319	31,320	(1)
Contractual	37,739	19,624	13,000	6,624
Capital outlay	<u>19,514</u>	<u>17,124</u>	<u>114,614</u>	<u>(97,490)</u>
Total expenditures subject to budget	<u>222,262</u>	<u>172,235</u>	<u>\$ 278,934</u>	<u>\$ (106,699)</u>
Receipts over (under) expenditures	(56,112)	6,421		
Unencumbered cash, beginning of year	161,124	105,497		
Prior period adjustment	<u>485</u>	<u>0</u>		
Unencumbered cash, end of year	\$ <u>105,497</u>	\$ <u>111,918</u>		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2e

BUSINESS FUNDS
SEWER SERVICE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		
	2014			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 114,701	\$ 114,907	\$ 117,000	\$ (2,093)
Total cash receipts	<u>114,701</u>	<u>114,907</u>	<u>\$ 117,000</u>	<u>\$ (2,093)</u>
Expenditures				
Personnel services	59,473	63,058	\$ 65,000	\$ (1,942)
Commodities	30,898	13,723	15,000	(1,277)
Contractual services	5,938	13,896	2,000	11,896
Capital Outlay	<u>0</u>	<u>0</u>	<u>254,980</u>	<u>(254,980)</u>
Total expenditures subject to budget	<u>96,309</u>	<u>90,677</u>	<u>\$ 336,980</u>	<u>\$ (246,303)</u>
Receipts over (under) expenditures	18,392	24,230		
Unencumbered cash, beginning of year	197,209	216,081		
Prior period adjustment	<u>480</u>	<u>0</u>		
Unencumbered cash, end of year	\$ <u>216,081</u>	\$ <u>240,311</u>		

See Independent Auditor's Report.

City of Valley Funds, Kansas

Schedule 2f

BUSINESS FUNDS
SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Charges for services	\$ 87,007	\$ 88,016	\$ 87,000	\$ 1,016
Expenditures				
Contractual services	87,021	76,135	\$ 84,500	\$ (8,365)
Receipts over (under) expenditures	(14)	11,881		
Unencumbered cash, beginning of year	62,209	62,195		
Unencumbered cash, end of year	\$ 62,195	\$ 74,076		

See Independent Auditor's Report.